

## REMARKS

The Final Office Action of October 23, 2009 was received and carefully reviewed. As per a discussion between Applicant's Attorneys Marc S. Kaufman and Jonathan D. Schlaifer with the Examiner on January 4, 2010, Applicant has amended claim 17 in a manner that Applicant believes overcomes the 35 U.S.C. § 101 rejections which the Examiner issued in the Final Office Action of October 23, 2009. Applicant wishes to argue that the claims are allowable over the prior art because the prior art cited by the Examiner does not teach or render obvious all of the features of the independent claims at least, in addition to any distinguishing features of the dependent claims.

### **Claim Rejections, 35 U.S.C. § 101**

The Examiner rejects claim 17 as unpatentable under 35 U.S.C. § 101 and claims 19-22, 24-27, and 29-31 as unpatentable due to their dependency on claim 17. In this after-final amendment, the Applicant has reworded claim 17 so that it is quite clear that each feature of claim 17 is carried out "in an electronic trading system by operating computer devices", "in said electronic trading system", "in a clearing system", "in a settlement system", "in said settlement system". Additional support for the computer devices feature may be found on line 20 of page 11 of the specification, and it is not new matter.

Claim 17, as amended, is in a form which is in accordance with that suggested by the Examiner during the above-noted conversation between Applicant's Representative and the Examiner on January 4, 2010. It is requested that this amendment be entered so that the application may be placed into better condition for Appeal.

### **Claim Rejections, 35 U.S.C. § 103**

Claims 1, 3-6, 8-11, 13-17, 19-22, 24-27 and 29-32 are rejected under 35 U.S.C. § 103(a) as being unpatentable over Eurex, as evidenced by "The Benchmark in Electronic Repo Trading" (see PTO-892, Ref. U), "About Eurex, Corporate Profile" (see PTO-892, Ref. V), "Eurex Clearing AG, Extension of Services" (see PTO-892, Ref. X), and "Eurex Handbook, Life of a Repo Trade" (see PTO-892, Ref. Y) in view of Tri-Party Repo Back in the Spotlight by Brian Bollen (see PTO-892, Ref. BB). Hereinafter Bollen.

Applicant notes that all of the claim rejections are dependent, at least in part, upon Bollen. Specifically, Bollen is relied upon for the feature of independent claim 1 (and the corresponding features of the other independent claims), of “defining a synthetic security, said security basket definition not indicating specific securities.

To provide definition and background for this feature, lines 11-19 of page 10 of the specification reads as follows:

“That is, the group is not specified by defining the individual resources. This group definition then allows for processing the group as single ‘synthetic’ resource in much the same way as a common resource. According to the embodiments, a central resource specification unit investigates the definition and allocates individual resources for the transfer that meet the class definition. Thus, the resource allocation is no longer be done decentralized in the various transfer instructions, but by a central entity in the course of processing the defined groups.”

In citing Bollen as teaching this feature, the Examiner cites page 3 of Bollen, specifically citing the passage:

“‘Tri-party provides the backbone to a good deal of collateral management activity,’” says James Tomkinson, director of repo products at Nomura in London. ‘It sits in the middle of the treasury function, whether you’re looking to give or receive cash. There are a lot of advantages to it, one of the biggest of which is that you don’t have to move a large bulk of collateral around without huge in-house infrastructure costs. **You don’t even have to issue specific instructions; thanks to their auto-select capabilities, Euroclear and Clearstream will select the securities to collateralize any borrowing, using smaller pieces of spare collateral that would otherwise lie unused.** That’s a clear and obvious advantage to us, although it does in turn create one inefficiency in that we don’t know which securities are being used. We don’t find out until the next day what our positions are. That is something of an ordeal. It is very difficult to allocate costs when you find out only retrospectively what collateral is being allocated to whom.’” (Emphasis added.

However, this passage does not teach, suggest, or render obvious the claimed “security basket definition not indicating specific securities” which is characteristic of the “at least one class of securities defining a synthetic security”. With respect to the auto-select feature of Euroclear and Clearstream mentioned in Bollen, even though from the user’s perspective the specific securities are hidden, the operation of Euroclear and Clearstream involves their “select[ing] the securities”, so this specifically contradicts the independent claims, where specific securities are not indicated. As indicated above, lines 11-19 of page 10 shows that

the specification defines this limitation of the claim such that “[a] group definition then allows for processing the group as single ‘synthetic’ resource in much the same way as a common resource.” This is not taught or suggested, or otherwise rendered obvious by Bollen, and the Examiner has conceded that Eurex does not disclose this feature of the invention. Hence, Applicant requests that the prior art rejections of independent claims 1, 17, and 32 be withdrawn. Applicant notes that dependent claims 3-6, 8-11, 13-16, 19-22, 24-27 and 29-31 are patentable over the prior art by virtue of their dependence on the independent claims, as well as their additional distinguishing features.

### **Conclusion**

The amendment is directed towards placing the application in better condition for appeal by presenting arguments which overcome the 35 U.S.C. § 101 and 35 U.S.C. § 103(a) rejections. The amendment is not believed to raise any issues that require further search. Accordingly, the claims are believed to be in condition for allowance. Applicant requests that the Examiner allow the case, or enter the amendment to improve its condition for consideration before the Board.

Should the Examiner believe that a telephone conference would expedite issuance of the application, the Examiner is respectfully invited to telephone the undersigned patent attorney at (202) 585-8314.

**Except** for issue fees payable under 37 C.F.R. § 1.18, the Commissioner is hereby authorized by this paper to charge any additional fees during the entire pendency of this application including fees due under 37 C.F.R. §§ 1.16 and 1.17 which may be required, including any required extension of time fees, or credit any overpayment to Deposit Account No. 19-2380. This paragraph is intended to be a **CONSTRUCTIVE PETITION FOR EXTENSION OF TIME** in accordance with 37 C.F.R. § 1.136(a)(3).

Respectfully submitted,

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